

ORIGINAL

U.S. DISTRICT COURT
U.S. BANKRUPTCY COURT
DISTRICT OF IDAHO

APR - 5 2004

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Attorneys for Defendant InterDent Service
Corporation

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

POCATELLO DENTAL GROUP, P.C., an
Idaho professional corporation

Plaintiff,

v.

INTERDENT SERVICE
CORPORATION, a Washington
corporation

Defendant.

INTERDENT SERVICE
CORPORATION, a Washington
corporation,

Case No.: CV-03-450-E-LMB

AFFIDAVIT OF DARIAN A. STANFORD
IN SUPPORT OF ISC'S REPLY IN
SUPPORT OF ITS MOTION FOR
SUMMARY JUDGMENT AGAINST
PLAINTIFF'S CLAIMS

AFFIDAVIT OF DARIAN A. STANFORD IN SUPPORT OF ISC'S REPLY IN SUPPORT
OF ITS MOTION FOR SUMMARY JUDGMENT AGAINST PLAINTIFF'S CLAIMS - Page

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Counterclaimant,

v.

POCATELLO DENTAL Group, P.C., an
Idaho professional corporation; DWIGHT
G. ROMRIELL, individually; LARRY
MISNER, JR., individually; PORTER
SUTTON, individually; ERNEST
SUTTON, individually; GREGORY
ROMRIELL, individually; ERROL
ORMOND, individually; and ARNOLD
GOODLIFFE, individually,

Counterdefendants.

LARRY R. MISNER, JR., individually,

Counterclaimant,

v.

INTERDENT SERVICE
CORPORATION, a Washington
corporation,

Counterdefendant.

LARRY R. MISNER, JR., individually,

Crossclaimant,

v.

POCATELLO DENTAL GROUP, P.C., an
Idaho professional corporation,

Crossdefendant.

STATE OF OREGON)

County of Multnomah)

I, Darian A. Stanford, hereby depose and state as follows:

AFFIDAVIT OF DARIAN A. STANFORD IN SUPPORT OF ISC'S REPLY IN SUPPORT
OF ITS MOTION FOR SUMMARY JUDGMENT AGAINST PLAINTIFF'S CLAIMS - Page

1. I am one of the attorneys representing and counterclaimant InterDent Service Corporation ("ISC") in this matter. I am admitted to practice in Idaho pro hac vice. The facts in this affidavit are based on my personal knowledge.

2. Attached as Exhibit 1 is a copy of selected pages from the Pocatello Dental Group's Claim in ISC's Bankruptcy action in the United States Bankruptcy Court for the Central District of California. The document appears to be dated July 25, 2003.

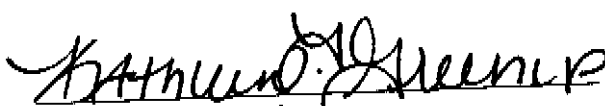
FURTHER THIS AFFIANT SAYETH NOT.

DATED this 2 day of April, 2004.


Darian A. Stanford

SUBSCRIBED AND SWORN TO before me this 2ND day of April, 2004.




Notary Public for Oregon
My Commission Expires: 10.11.05

AFFIDAVIT OF DARIAN A. STANFORD IN SUPPORT OF ISC'S REPLY IN SUPPORT
OF ITS MOTION FOR SUMMARY JUDGMENT AGAINST PLAINTIFF'S CLAIMS - Page

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **AFFIDAVIT OF DARIAN A. STANFORD**
IN SUPPORT OF ISC'S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY
JUDGMENT AGAINST PLAINTIFF'S CLAIMS on the following named persons on the
date indicated below by

- ☒ mailing with postage prepaid
- " hand delivery
- " facsimile transmission
- " overnight delivery

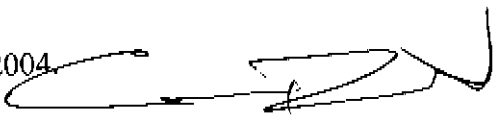
to said persons a true copy thereof, contained in a sealed envelope, addressed to said persons at
his or her last-known addresses indicated below.

Gary L. Cooper
Ron Kerl
James P. Price
COOPER & LARSEN
151 N. 3rd Avenue, Ste. 210
PO Box 4229
Pocatello, ID 83205-4229
Phone: (208) 235-1145
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Lowell N. Hawkes
Law Office of Lowell N. Hawkes, Chtd.
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Phone: (208) 235-1600
Fax: (208) 235-4200

Richard A. Hearn
Stephen J. Muhonen
PO Box 1391/Center Plaza
Pocatello, ID 83204
Phone: (208) 232-6101
Fax: (208) 232-6109

DATED: this 5 day of April, 2004



G. Rey Reinhardt

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

PROOF OF CLAIM

Name of Debtor:

☒ INTERDENT SERVICE CORPORATION,
INTERDENT, INC.

Case Numbers:

SA 03-13594 JR
SA 03-13593 JR

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

Pocatello Dental Group, P.C.

Name and address where notices should be sent:

c/o Dean P. Sperling
201 East Sandpointe, Suite 220
Santa Ana, California 92707-5742
Telephone No. (714) 438-8090

- ☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
- ☐ Check box if you have never received any notices from the bankruptcy court in this case.
- ☒ Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

FILED

ORIGINAL

Account or other number by which creditor identifies debtor:

Check here ☐ replaces
if this claim ☐ amends a previously filed claim, dated: _____

1. Basis for Claim

- ☐ Goods sold
- ☐ Services performed
- ☐ Money loaned
- ☐ Personal injury/wrongful death
- ☐ Taxes

☒ Other Breaches of contract

- ☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
- ☐ Wages, salaries, and compensation (Fill out below)
- Your SS #: _____
- Unpaid compensation for services performed from _____ to _____ (date) (date)

2. Date debt was incurred:

various

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: \$ 2,044,539.50

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

- ☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges

5. Secured Claim.

- ☐ Check this box if your claim is secured by collateral (including a right of setoff)

Brief Description of Collateral:

- ☐ Real Estate ☐ Motor Vehicle
- ☐ Other _____

Value of Collateral: \$ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____

6. Unsecured Priority Claim.

- ☐ Check this box if you have an unsecured priority claim

Amount entitled to priority \$ _____
Specify the priority of the claim.

- ☐ Wages, salaries, or commissions (up to \$4,650), * earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(7)
- ☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)
- ☐ Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)
- ☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)
- ☐ Taxes or penalties of governmental units - 11 U.S.C. § 507(a)(8)
- ☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) _____

* Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after date of adjustment

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date

July 15, 2003

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)

L.R. Misner, Jr.
President

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CI #96

7/29/03

D. J. Lee

Penalty for presenting fraudulent claim: Fine of up to \$300,000 or imprisonment for up to 5 years, or both 18 U.S.C. §§ 152 and 3571

ITEMIZATION

Breaches of Dental Group Management Agreement¹ between GMS Dental Group Management, Inc.² and Idaho Dental Group, P.A.³, dated October 11, 1996:

Failure of Debtor to provide equipment and supplies necessary to maintain practice of Group as preeminent practice in the area ⁴	\$404,262.66
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Failure of Debtor to pay expenses of Group:

L.R. Misner compensation (2 percent bonus, 1998-2002) ⁵	131,485.53
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Legal expenses ⁶	3,830.00
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Debtor placing patients on "no recall" status without the knowledge and/or consent of Group or its individual dentists ⁷	1,166,277.00
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Unpaid interest collected on patients accounts (January 1, 1998 to May 9, 2003) ⁸	338,684.31
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Total	\$2,044,539.50
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¹ Exhibit A

² InterDent Service Corporation ("Debtor") is the successor-in-interest to GMS Dental Group Management, Inc.

³ Idaho Dental Group, P.A. changed its name to Pocatello Dental Group, P.C. ("Group") on October 11, 1996 (Exhibit B).

⁴ A list of necessary equipment and supplies is attached as Exhibit C.

⁵ Exhibit D

⁶ Exhibit E

⁷ Exhibit F

⁸ Exhibit G

EXHIBIT C

Periodontics:

2 Assistant Chairs (with swing arms) * \$ 375⁰⁰ EA = \$ 750⁰⁰
 1 Prophyl Jet * \$ 2,281⁰⁰
 Cavitron * \$ 1,785⁰⁰

Orthodontics:

9 New Side Units (Smaller and more functional that would enhance Boyd model³ chairside consultations with parents) * \$ 4695⁰⁰ EA = \$ 42,255⁰⁰ CSW-3330-40

10 over the patient trays, with view box and chart holders * \$ 395⁰⁰ EA = \$ 3,950⁰⁰

New Consultation Room unit with built in flat screen monitor cut out, \$ 6,000⁰⁰
 Pan and Ceph view boxes.

Barber Chair with retractable Back. Approx \$ 1,000⁰⁰

2 Cal Computers * \$ 2,300⁰⁰ EA = \$ 4,600⁰⁰

Digital Photography Camera Fuji S-2 Norman Camera

\$3,299

12 Chuckless Highspeed Turbine Handpieces * \$ 785⁰⁰ EA = \$ 9,420⁰⁰

2 Aeron type high speed curing lights \$ 4,595⁰⁰

6 curing lights Optilux 501 with fast cure tip one for each unit * \$ 1,499⁰⁰ EA = \$ 8,999.94

Tooth dryer at each unit 9 * \$ 1,000⁰⁰ EA = \$ 9,000⁰⁰

Doorway or Threshold cut into wall between the
 Ortho Receptionist and the Ortho Clinic

Cassette Sterilization system Approx. \$ 4,500⁰⁰

Scan-X digital Processor with Dentrax or Eaglesoft
 supporting software and hardware. (Could be shared with general dentists and
 Periodontist on Old side.)

\$ 18,640⁰⁰

Page Total: \$ 121,082.94

Pedodontics:

Fiberoptics up date for each unit 7 for existing units. \$ 569⁹⁹ EA = \$ 3,989.93
4 Hi speed curing lights for existing units Optilux 501 with fast cure tip. \$ 1,499⁹⁹ EA = \$ 5,999.96
2 Air techniques Arc 2M for quiet room for existing units. \$ 4,595⁰⁰ EA = \$ 9,190.00
2 prophylflex hand pieces. \$ 1,079⁹⁹ EA = \$ 2,159.98
4 rondoflex handpieces. \$ 1,829⁹⁹ EA = \$ 7,319.96
4 ellman radio surgical units.

Consult and financial arrangement areas in order to comply with Hippa.

Digital camera system Fuji S-2 Norman Camera.

\$3,299

Up to date pulpotomy/Pulpectomy material. \$ 600⁰⁰

Pediatric Dental emergency protocol manual.

4 pulse ocimeters. \$ 695⁰⁰ EA = \$ 2,780.00

4 childrens digital blood Pressure cuffs. \$ 295⁰⁰ EA = \$ 1,180.00

Patient lists in order to track areas patients are coming from.

Flexiwedges at 6 units.

Scan-X digital Processor with Dentrax or Eaglesoft supporting software and hardware. \$ 18,640⁰⁰

Paperless office capabilities.

4 Diagnodent or Difoti units. \$ 2,995⁰⁰ EA = \$ 11,980.00

7 Pelt and Crane Lights for existing units. \$ 1,875⁰⁰ EA = \$ 13,125.00

4 Porter nitrous oxide units for existing units. \$ 2,935⁰⁰ EA = \$ 11,740.00

5 Isolite Systems for existing Units. \$ 895⁰⁰ EA = \$ 4,475.00

Statum Autoclave for Handpieces. \$ 3,549⁰⁰ EA

Cleaning and oiling unit for handpieces in Sterilization. \$ 389⁹⁹ EA

7 Tulsa Dental rotary endodontic handpieces for existing units. \$ 1,500⁰⁰ EA = \$ 10,500.00

Page total: \$110,566.82

Pedodontics continued:

Cassette (hufriedy) sterilization system. *Approx \$ 4,500⁰⁰*
Medical grade Dishwasher for Sterilization. *\$ 2,900⁰⁰*
10 new assistant stools for existing units. *\$ 375⁰⁰ = \$ 3,750⁰⁰*
8 new doctor stools for existing units. *\$ 450^{EA} = \$ 3,600⁰⁰*
10 17" flat screen monitors for patient entertainment movies for existing units. *\$ 680^{EA} = \$ 6,800⁰⁰*
Communication system that works better for communication with front desk. *Approx \$ 6,000⁰⁰*

General Dentistry:

Prisma shades A1, A3 and A3.5 in each unit. (19) *\$ 72^{EA} = \$ 1,368⁰⁰*
Nitrous Oxide Masks in each unit. (22). *\$ 429^{EA} = \$ 9,438⁰⁰*
Refurbish Dental Chairs. *Approx \$ 600^{EA}*
Slow Speed Contra Angles for each unit. *(12) \$ 140^{EA} = \$ 3,080⁰⁰*
Gutta Percha in smaller sizes 15, 20, 25, and 30. *(4) \$ 10^{EA} = \$ 40⁰⁰*
Crown and Bridge Cement Syringe Type (Fuji). *(4) \$ 130^{EA} = \$ 520⁰⁰*
Two Endo Heaters. *\$ 182^{EA} = \$ 364⁰⁰*
Shorter tubing to handpieces and endhand piece in each unit. *F.D. 280^{EA} New F.D. 165^{EA}*
Panorex and Panorex CMT for new side to stay in OSHA compliance. *\$ 25,460⁰⁰*
Medical Management System for insurance claims.
22 Slow speed Handpieces *\$ 790^{EA} = \$ 17,380⁰⁰*
Prophy Brushes in each hygiene work station. *(6) \$ 73^{EA} PER Bx. = \$ 438⁰⁰*
2 Digital Intraoral camera systems Fuji S-2 Norman Camera. *\$6,598*
15 Bite Blocks C type in each restorative tray.
2 Ribbond THM *\$ 200^{EA} = \$ 400⁰⁰*
Astropol polish points in each unit. *(12) \$ 100^{EA} = \$ 2,200⁰⁰*

Page Total: \$ 95,716⁰⁰

General Dentistry Continued:

Vicryl sutures. \$ 108⁰⁰ EA x 4 = \$432.⁰⁰

8 Blood Pressure Monitors (Model #608).

2 Fast Dam or Opal Dam Ultradent \$ 2742^{EA} Bx of 4 = \$54,98

Contact Pro 2

Flexiwedges in each unit.

Video CE (Ruddle on Retreatment of Ends and Farrens 30 days MBA)

Diamond Polish in each restorative unit.⁽⁶⁾ \$ 37⁰⁰ EA = \$296.⁰⁰

White Post (Zirconium) in post kits.⁽⁶⁾ \$ 40⁰⁰ EA Refills = \$320.⁰⁰

4 Dental Emergency Protocol Manuals.

Dental Implant and Surgical Digest.

Book: Dental Insurance Coding \$ 200⁰⁰

Book: Employee Embezzlement and Fraud in the Dental Office

4 CPI-Prep (Air Abrasion Units). \$ 1,995⁰⁰ EA = \$7,980.⁰⁰

Star 430 SWL Highspeed Handpiece⁽²⁴⁾ \$ 710⁰⁰ EA = \$17,040.⁰⁰

Twist Prophyl angles for hygiene areas.⁽⁶⁾ \$ 100⁰⁰ PER Box = \$600.⁰⁰

Mini Implants.

Life Core Biomed

Feuer Abutment Holder for restorative implant work

2 NTI System

Grind Alert

Spring 3k light meter

Demitron (turbo tip) \$ 200⁰⁰

Troll Shade

Page Total: \$ 27,122.98

General Dentistry Continued:

Diagnodents each hygiene unit. ⁽²⁾ \$ 2,995⁰⁰ EA = \$17,970.⁰⁰

Cleanfil S.E. for each restorative area. ⁽⁶⁾ \$ 100⁰⁰ EA = \$800.⁰⁰

E.D. Primer for each restorative area. ⁽⁶⁾ \$ 100⁰⁰ EA = \$800.⁰⁰

Miniwedges for each restorative area. ⁽⁶⁾ \$ 65⁰⁰ EA = \$520.⁰⁰

Intergaurd for each restorative area.

Disposable Scalpels for OSHA Compliance. ⁽¹⁴⁾ \$ 14⁰⁰ PER BX = \$56.⁰⁰

Ailee Dental Sutures ⁽⁴⁾ \$ 110⁰⁰ EA BX = \$440.⁰⁰

Fuji II L. C. improved. ⁽⁴⁾ \$ 134⁰⁰ EA = \$536.⁰⁰

Profin ⁽¹⁾ \$ 729⁰⁰ REFILL \$ 95⁰⁰

Seal and Protect (Caulk) each restorative area. ⁽⁸⁾ \$ 92.99 EA = \$743.92

Iontophoresis device.

D—Sene II (by Centrix) ⁽⁴⁾ \$ 106⁰⁰ PER BX = \$424.⁰⁰

2 Build ITFR \$ 35⁰⁰ EA = \$170.⁰⁰

Panavia Flight in each post kit.

Gluma ⁽⁴⁾ \$ 85⁰⁰ PER BTL. = \$340.⁰⁰

14 Pelt and Crane LF II old side. \$ 1,875⁰⁰ EA = \$26,250.⁰⁰

Page Total: \$ 49,773.92
\$404,262.66